Joint Committee on Taxation
February 21, 1990
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ESTIMATED BUDGET EFFECTS OF REVENUE PROVISIONS IN PRESIDENT BUSH'S FISCAL YEAR 1991 BUDGET PROPOSAL*

Fiscal Years 1990-1995

[Billions of Dollars]

Provision	1990	1991	1992	1993	1994	1995	1990-95
A. Income Tax Provisions							
1. Capital gains tax rate reduction for individuals	0.7	3.2	-4.3	-3.6	-4.3	-3.1	-11.4
2. Family Savings Accounts	--	-0.3	-0.6	-1.0	-1.3	-1.8	-5.0
3. Penalty-free IRA withdrawal for first-time homebuyers	--	-0.2	-0.2	-0.2	-0.1	-0.1	-0.9
4. Child tax credit provisions (1)	--	(2)	-0.2	-0.2	-0.2	-0.3	-0.9
5. Adoption expense deduction	--	(2)	(2)	(2)	(2)	(2)	(2)
6. Excess pension funds to pay retiree health benefits	--	0.3	0.5	0.2	(3)	(3)	1.0
7. Energy tax incentives:							
a. Tax credits for oil and gas exploration and tertiary recovery	--	-0.2	-0.3	-0.4	-0.4	-0.5	-1.8
b. Modification of oil and gas percentage depletion rules	--	(2)	(2)	-0.1	-0.1	-0.1	-0.2
c. Modification of tax preference for IDCs in the alternative minimum tax	--	-0.1	-0.1	-0.1	-0.1	-0.1	-0.5
8. Enterprise zone tax incentives	(4)	(4)	(4)	(4)	(4)	(4)	(4)
9. Loss deductions and salvage values for insurance companies	0.2	0.2	0.2	0.2	0.1	0.1	1.1
B. Expiring Tax Provisions							
1. Extend research and experimentation tax credit (permanent)	--	-0.9	-1.2	-1.4	-1.6	-1.8	-7.0
2. Extend foreign allocation and apportionment of research expenses (permanent)	--	-0.4	-0.7	-0.8	-0.8	-0.9	-3.6
3. Extend low-income housing tax credit (through 1991 and restore State credit allocation to $1.25 per capita)	(2)	-0.1	-0.3	-0.4	-0.4	-0.4	-1.7
4. Extend deduction for self-employed health insurance (permanent)	--	-0.4	-0.5	-0.5	-0.6	-0.7	-2.7
5. Increase Airport Trust Fund aviation excise taxes (permanent) (5) (6)	--	0.5	0.8	0.9	0.9	1.0	4.1
6. Extend telephone excise tax and modify collection period (permanent) (5) (7)	--	1.6	2.6	2.7	2.9	3.1	12.9
C. Other Excise Tax Provisions							
1. Increase harbor maintenance excise tax (5) (7)	--	0.3	0.3	0.4	0.4	0.4	1.8
2. Modify alcohol occupational excise tax	(4)	(4)	(4)	(4)	(4)	(4)	(4)

Provision	1990	1991	1992	1993	1994	1995	1990-95
D. Employment Tax Provisions							
1. Payroll tax deposit stabilization	--	1.0	2.2	-3.2	--	--	---
2. Extend Medicare hospital insurance (HI) to all State and local government employees (5) (7)	--	1.7	1.7	1.6	1.6	1.6	8.2
3. Extend social security retirement coverage (OASDI) to State and local employees not in public retirement plan (5) (7)	--	2.0	2.2	2.4	2.5	2.7	11.8
4. Extend social security retirement and Medicare hospital insurance coverage (OASDHI) to D.C. employees not covered (5) (7)	--	(3)	(3)	(3)	(3)	(3)	0.1
5. Extend railroad unemployment insurance fund tax exemption for public commuter railroads (and apply exemption to Amtrak) (permanent) (7)	--	(2)	(2)	(2)	(2)	(2)	(2)
E. IRS Provisions							
1. Extend IRS user fees (permanent) (5) (7)	--	(3)	(3)	(3)	(3)	(3)	(3)
2. IRS management reforms (7)	--	--	--	--	--	--	---
3. Increase in IRS enforcement funding for FY 1991 (7)	--	0.3	0.5	1.0	1.2	1.2	4.3
F. Certain User Fees Classified as Receipts							
1. Commodity Futures Trading Commission (CFTC) transaction fee (5) (7)	--	(3)	(3)	(3)	0.1	0.1	0.2
2. Securities and Exchange Commission (SEC) transaction fees (5) (7)	(3)	0.1	0.1	0.1	0.1	0.1	0.5
3. Federal Emergency Management Agency (FEMA) user fees (5) (7)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
4. Extend abandoned mine reclamation fees (5) (7)	--	--	0.1	0.3	0.3	0.3	0.9
5. Corps of Engineers application fees (5) (7)	--	(3)	(3)	(3)	(3)	(3)	0.1
6. Other: HUD interstate land fee and EPA fees (5) (7)	--	(3)	(3)	(3)	(3)	(3)	(3)
GRAND TOTALS	**0.9**	**8.4**	**2.6**	**-2.0**	**0.1**	**0.9**	**11.1**

* For a summary description of these revenue proposals and Treasury Department estimates, see Joint Committee on Taxation, Summary of Revenue Provisions in the President's Fiscal Year 1991 Budget Proposal (JCS-3-90), February 5, 1990.

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(1) Refundable tax credits involving refunds which exceed tax liability are shown as increased outlays. Outlays will increase by $0.2 billion in FY1991, $1.8 billion in FY1992, $2.0 billion in FY1993, $2.1 billion in FY1994, and $2.3 billion in FY1995.

(2) Loss of less than $50 million.

(3) Gain of less than $50 million.

(4) The Administration proposal has not been fully specified at this time; therefore, an estimate is not yet available.

(5) Estimate is net of income tax offset.

(6) This estimate is presented relative to the Congressional Budget Office (CBO) baseline which assumes extension of the Airport and Airway Trust Fund (AATF) taxes with the trigger in effect. The estimate reflects the effects both of removing the trigger and of increasing the rates of certain of the AATF taxes as proposed in the President's budget.

(7) Estimate for this provision provided by CBO.